

"(3) Third. allowed unsecured claims. but only to the extent of \$4.000 for each individual or corporation as the case may be. earned within 90 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first. for—

"(A) wages. salaries. or commissions. including vacation. severance. and sick leave pay earned by an individual; or

"(B) sales commissions earned by an individual or by a corporation with only 1 employee. acting as an independent contractor in the sale of goods or services for the debtor in the ordinary course of the debtor's business if. and only if. during the 12 months preceding that date. at least 75 percent of the amount that the individual or corporation earned by acting as an independent contractor in the sale of goods or services was earned from the debtor."

SEC. 208. EXCLUSION FROM THE ESTATE OF INTERESTS IN LIQUID AND GASEOUS HYDROCARBONS TRANSFERRED BY THE DEBTOR PURSUANT TO PRODUCTION PAYMENT AGREEMENTS.

(a) DEFINITION.—Section 101 of title 11, United States Code. is amended—

(1) by inserting after paragraph (42) the following:

"(42A) 'production payment' means a term overriding royalty satisfiable in cash or in kind—

"(A) contingent on the production of a liquid or gaseous hydrocarbon from particular real property; and

"(B) from a specified volume. or a specified value. from the liquid or gaseous hydrocarbon produced from such property. and determined without regard to production costs;"; and

(2) by inserting after the first paragraph (56) the following:

"(56A) term 'overriding royalty' means an interest in liquid or gaseous hydrocarbons in place or to be produced from particular real property that entitles the owner thereof to a share of production or the value thereof. for a term limited

by time, quantity, or value realized."

(b) PROPERTY OF THE ESTATE.—Section 541(b)(4) of title 11,

United States Code, is amended—

(1) in subparagraph (A) by striking "(A)" and inserting

i)";

(2) in subparagraph (B)—

(A) by striking "(B)" and inserting "(ii)".

by striking "such interest;" and

(2)

inserting "the

interest referred to in clause (i)" and

(3)

by striking the period at the end and

inserting

";or",and

"(B)(i) the debtor has transferred such interest pursuant to a written conveyance of a production payment to an entity that does not participate in the operation of the property from which such production payment is transferred; and